

To: Montana House Federal Relations Energy and Telecommunications Committee  
From: Conor Darby, Independent Power Systems  
Re: HB 581 Proponent Testimony  
Date: 2/18/11

Mr. Chairman, members of the committee,

Thank you for the opportunity to comment today. My name is Conor Darby and I am the General Manager of Independent Power Systems -or IPS- a small renewable energy firm employing 10 people in Bozeman. I also currently serve as President of the Montana Renewable Energy Association. I stand today in support of House Bill 581.

Since the advent of net-metering in Montana in 1999, 90% of my company's annual revenue has been comprised of grid-tied photovoltaic systems, and we have installed 220 systems during that time. 85 of those systems were installed over the course of the last two years- a clear demonstration of the recent rise in demand. Though this is encouraging for the net-metering sector, I'd like to point your attention to the fact that Montana is limiting the potential commerce in this area by relying on just a fraction of the consumer capital available. This is because of the current language in the definitions section of the Montana net-metering statute.

As it is, if you want to consume energy from a solar or wind system, you have to have at a minimum, the following: 1) a building or property that is conducive to such an installation, 2) the financial capital to put up front for the equipment, or 3) good enough credit to get approved for an interest-bearing loan. There is a large percentage of the state's demand for consumer-owned renewable energy supply that is eliminated from the game because these prospective consumers fall short in one of these areas.

What this bill strives to do is simple. In addition to the existing two-party deals between a net-metering customer and the utility, this bill seeks to allow interested 3<sup>rd</sup> parties to engage in mutually beneficial business deals with customer-generators who otherwise would not be able to execute a project on their own. Such deals have been at the forefront of the major markets in the country, in both residential and commercial applications.

For the reasons already mentioned, it can be an attractive option for customer-generators to lease-to-own a system that is energizing their property from a 3<sup>rd</sup> party owner over a schedule of agreed-upon payments. The other most common deal is where a customer-generator foregoes ownership of the system that is energizing their property altogether, and simply compensates the owner for the energy over a long-term contract. But the benefit herein lies not only for the user of the energy. There are a number of people out there who are attracted to making the investment in a photovoltaic or wind system, with the financial return as their main source of motivation, but don't have a good site for the installation or an adequate load to use the energy produced. These investors would benefit from the aforementioned customer-generator who has both the proper site and energy demand.

With these examples laid out before you, it should be obvious that in voting in favor of this bill, you are supporting a legitimate economic opportunity in the form of heightened investment in renewable energy. The end result is more jobs and a thriving clean energy economy for Montanans. Mr. Chairman and members of the committee, I urge you to work to pass HB 581. Thank you.